

**STATE OF SOUTH CAROLINA**

**(Caption of Case)**

Application of FRC, LLC, for a Certificate of Public Convenience and Necessity to Provide Local Exchange and Exchange Access Services throughout the State of South Carolina and Request for Flexible Regulation

**BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA**

**COVER SHEET**

**DOCKET**

**NUMBER:** \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

(Please type or print)

**Submitted by:** Sue-Ann Gerald Shannon

**SC Bar Number:** 71181

**Address:** McNair Law Firm, P.A.

**Telephone:** 803-799-9800

P O Box 11390

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Columbia, SC 29211

**Other:**

**Email:** sshannon@mcnair.net

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

**DOCKETING INFORMATION** (Check all that apply)

☐ **Emergency Relief demanded in petition**

☐ **Request for item to be placed on Commission's Agenda expeditiously**

☐ **Other:**

**INDUSTRY (Check one)**

**NATURE OF ACTION (Check all that apply)**

- ☐ Electric
- ☐ Electric/Gas
- ☐ Electric/Telecommunications
- ☐ Electric/Water
- ☐ Electric/Water/Telecom.
- ☐ Electric/Water/Sewer
- ☐ Gas
- ☐ Railroad
- ☐ Sewer
- ☒ Telecommunications
- ☐ Transportation
- ☐ Water
- ☐ Water/Sewer
- ☐ Administrative Matter
- ☐ Other: \_\_\_\_\_

- ☐ Affidavit
- ☐ Agreement
- ☐ Answer
- ☐ Appellate Review
- ☒ Application
- ☐ Brief
- ☐ Certificate
- ☐ Comments
- ☐ Complaint
- ☐ Consent Order
- ☐ Discovery
- ☐ Exhibit
- ☐ Expedited Consideration
- ☐ Interconnection Agreement
- ☐ Interconnection Amendment
- ☐ Late-Filed Exhibit
- ☒ Letter
- ☐ Memorandum
- ☐ Motion
- ☐ Objection
- ☐ Petition
- ☐ Petition for Reconsideration
- ☐ Petition for Rulemaking
- ☐ Petition for Rule to Show Cause
- ☐ Petition to Intervene
- ☐ Petition to Intervene Out of Time
- ☐ Prefiled Testimony
- ☐ Promotion
- ☐ Proposed Order
- ☐ Protest
- ☐ Publisher's Affidavit
- ☐ Report
- ☐ Request
- ☐ Request for Certification
- ☐ Request for Investigation
- ☐ Resale Agreement
- ☐ Resale Amendment
- ☐ Reservation Letter
- ☐ Response
- ☐ Response to Discovery
- ☐ Return to Petition
- ☐ Stipulation
- ☐ Subpoena
- ☒ Tariff
- ☐ Other: \_\_\_\_\_

Print Form

Reset Form

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February 12, 2008

## VIA ELECTRONIC FILING

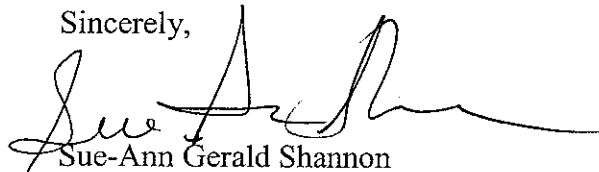
Mr. Charles L. A. Terreni  
Chief Clerk and Administrator  
South Carolina Public Service Commission  
Synergy Business Park, The Saluda Building  
101 Executive Center Drive  
Columbia, South Carolina 29210

**RE: Application of FRC, LLC, for a Certificate of Public Convenience and Necessity to Provide Local Exchange and Exchange Access Services throughout the State of South Carolina and Request for Flexible Regulation Docket No. 2008-\_\_\_\_-C**

Dear Mr. Terreni:

Enclosed please find the Application of FRC, LLC, in the above-referenced matter. If you have any questions or need further information, please do not hesitate to contact me.

Sincerely,



Sue-Ann Gerald Shannon

cc: Mr. C. Dukes Scott, Office of Regulatory Staff

Enclosures

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**

**DOCKET NO.** \_\_\_\_\_

IN RE:

Application of FRC, LLC, for a Certificate of Public	)	
Convenience and Necessity to Provide Local Exchange	)	
and Exchange Access Services throughout the State of	)	<b>APPLICATION</b>
South Carolina and Request for Flexible Regulation	)	
_____	)	

FRC, LLC ("FRC" or "Applicant") hereby submits this application to the South Carolina Public Service Commission ("the Commission") for a Certificate of Public Convenience and Necessity, pursuant to S.C. Code Ann. § 58-9-280 and the rules and regulations of the Commission, to permit it to provide local exchange and exchange access services throughout the State of South Carolina. In addition, FRC requests flexible regulation of its local service offerings pursuant to Order No. 98-165 in Docket No. 97-467-C. In support of this application, the following is shown:

**I. DESCRIPTION OF THE APPLICANT**

1. Applicant's name and address are as follows:

FRC, LLC  
1500 Hampton Street, Suite 100  
Columbia, South Carolina 29201

2. Correspondence regarding this Application should be addressed to Applicant's  
counsel:

M. John Bowen, Jr., Esq.  
Sue-Ann Gerald Shannon, Esq.  
McNAIR LAW FIRM, P.A.  
Post Office Box 11390

Columbia, South Carolina 29211  
Telephone: (803) 799-9800  
Facsimile: (803) 753-3219  
Email: jbowen@mcnair.net; sshannon@mcnair.net

3. The name, title, address, telephone number, facsimile number, and email address of the person who should be contacted in connection with general management of the company is:

W. Grey Humphrey  
General Manager  
FRC, LLC  
1500 Hampton Street, Suite 100  
Columbia, South Carolina 29201  
Telephone: (803) 726-4080  
Facsimile: (803) 771-0698  
Email: grey.humphrey@palmettonet.com

4. The following toll-free number is available for customer service inquiries:

1-800-277-4105

5. Applicant was organized as a Limited Liability Company in the State of South Carolina in 1999. A copy of Applicant's Certificate of Existence issued by the South Carolina Secretary of State is attached hereto as Exhibit A. FRC is made up of two members, PalmettoNet, Inc. and SCANA Communications, Inc., both of which are certificated to provide telecommunications services within the State of South Carolina, as well as in certain other states.

6. In 2006, by Commission Order No. 2006-469 in Docket No. 2006-42-C, Applicant received a certificate from the Public Service Commission of South Carolina to provide intrastate telecommunications services as a "carrier's carrier" throughout the State of South Carolina.

## **II. DESCRIPTION OF PROPOSED SERVICES**

7. Applicant proposes to provide local exchange service and exchange access services to residential and business customers throughout the State of South Carolina. All services will meet any service standards that the Commission may adopt. In addition, although FRC seeks

authority to provide local exchange and exchange access services throughout the entire State, FRC is willing to abide by the conditions previously established by the Commission before a competitive local exchange carrier may provide such services within the service area of a rural incumbent local exchange carrier.

8. A complete description of Applicant's services and rates is set forth in the illustrative tariff, which is attached hereto as Exhibit D. Maximum and effective rates for services cannot be determined until interconnection and/or resale agreements are entered into with the applicable incumbent local exchange carrier ("ILEC") and, therefore, are either left blank or designated with "\$X.XX" or similar designation in the illustrative tariff. Applicant will file with the Commission a final tariff with maximum rates, and a price list with effective rates, once Applicant has a resale/interconnection agreement in place. Maximum and effective rates for the services listed in the illustrative tariff will be competitive with rates for similar services offered by the applicable ILEC.

### **III. TECHNICAL, MANAGERIAL, AND FINANCIAL QUALIFICATIONS**

9. As demonstrated in Applicant's prior certification proceeding, FRC has the technical, managerial, and business experience and resources necessary to provide the services for which it requests authority, as shown in Exhibit B. FRC has extensive experience in providing telecommunications services and, in addition to its South Carolina certificate, is authorized to provide telecommunications services in North Carolina and Georgia. SCANA Communications, Inc., one of FRC's two members, is certificated to provide telecommunications services in South Carolina, North Carolina, and Georgia. PalmettoNet, Inc., the second member of FRC as well as its Manager, is authorized to provide telecommunications services in South Carolina and Georgia.

10. Applicant has the financial resources needed to provide the services for which it

requests authority. The most recent audited financial statement for FRC, for the periods ended December 31, 2005, and December 31, 2006, is attached hereto as Confidential Exhibit C and filed in a separate package marked "Confidential and Proprietary." Also attached as Confidential Exhibit C are an unaudited Balance Sheet and Income Statement for year ended December 31, 2007. FRC is requesting confidential treatment of these financial statements and, therefore, is filing concurrently with this Application a Motion for Protective Treatment of Financial Statements.

#### **IV. PUBLIC INTEREST CONSIDERATIONS**

11. Approving Applicant's request will serve the public interest. FRC will enhance competition in the State of South Carolina by offering additional service options and high service quality to South Carolina telecommunications users. FRC's entry into the South Carolina market will also provide an efficient use of existing telecommunications resources.

12. Applicant's provision of service will not adversely impact the availability of affordable local exchange service and will not otherwise adversely impact the public interest. Applicant will support universally available telephone service at affordable rates.

#### **V. REGULATORY COMPLIANCE AND WAIVER REQUESTS**

13. Applicant will provide services that meet the service standards that the Commission may adopt.

14. Applicant, to the extent it may be required to do so by the Commission, will participate in the support of universally available telephone service at affordable rates.

15. Applicant requests that the Commission continue in effect all waivers previously granted in Order No. 2006-469 in Docket No. 2006-42-C.

16. Applicant requests a waiver of any rule or requirement to publish and distribute local exchange directories. If necessary, FRC will enter into an agreement with directory publishers

of other local telephone companies to include the names of any customers in those directories.

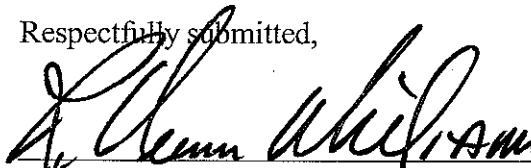
17. Applicant also requests that the Commission regulate any local exchange telecommunications services it may provide in accordance with the principles and procedures established for flexible regulation in Order No. 98-165 in Docket No. 97-467-C.

18. Moreover, Applicant reserves the right to seek any other regulatory waivers that may be required for Applicant to compete effectively in the South Carolina telecommunications market.

## VI. CONCLUSION

In view of the foregoing, Applicant respectfully requests that the Public Service Commission of South Carolina issue to FRC, LLC, a Certificate of Public Convenience and Necessity to provide local exchange and exchange access service throughout the State of South Carolina. Applicant further requests that its rates and tariffs be regulated in accordance with the principles and procedures established for flexible regulation, as more fully described herein, and that all waivers requested be granted. A proposed Notice of Filing and Hearing is attached hereto as Exhibit E.

Respectfully submitted,



R. Vernon Williams, Manager  
FRC, LLC  
1500 Hampton Street, Suite 100  
Columbia, SC 29201  
Telephone: (803) 726-8301  
Facsimile: (803) 771-0698

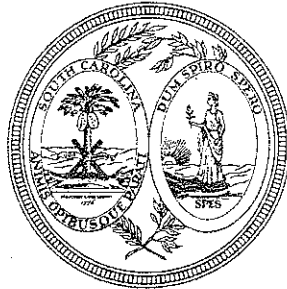
February 12, 2008  
Columbia, South Carolina.

# **Exhibit A**

**Certificate of Existence Issued by the  
South Carolina Secretary of State**



# *The State of South Carolina*



*Office of Secretary of State Mark Hammond*

## **Certificate of Existence**

**I, Mark Hammond, Secretary of State of South Carolina Hereby certify that:**

FRC, LLC, A Limited Liability Company duly organized under the laws of the State of South Carolina on August 30th, 1999, with a duration that is until August 1st, 2049, has as of this date filed all reports due this office, including its most recent annual report as required by section 33-44-211, paid all fees, taxes and penalties owed to the Secretary of State, that the Secretary of State has not mailed notice to the company that it is subject to being dissolved by administrative action pursuant to section 33-44-809 of the South Carolina Code, and that the company has not filed articles of termination as of the date hereof.

Given under my Hand and the Great  
Seal of the State of South Carolina this  
31st day of January, 2008.

A handwritten signature in cursive script that reads "Mark Hammond".

Mark Hammond, Secretary of State

# **EXHIBIT B**

## **Business Experience Information**

**Applicant possesses the technical, managerial, and business experience and resources necessary for the implementation of the service proposed.**

The Applicant conducts its operations through its manager, PalmettoNet, Inc., which is also one of its two members. PalmettoNet has a vast amount of experience within the telecommunications industry. For example, both the Chief Executive Officer and President of PalmettoNet possess a tremendous amount of individual experience in telecommunications. Vernon Williams, Chief Executive Officer of PalmettoNet, was employed by GTE for over 27 years in locations throughout the United States. He served in varying assignments of increasing responsibility, including such positions as Director of Product Management, Director of Market Research, Director of Consumer Marketing, and General Manager of Telecommunications Systems for GTE Data Service's Commercial Software Division doing business worldwide. In 1999, he established Williams Management Services, where he was engaged in various consulting assignments with publicly-traded and private firms specializing in communications and information technology. Prior to his appointment as Chief Executive Officer, Mr. Williams served as the General Manager for PalmettoNet.

W. Grey Humphrey is the President of PalmettoNet, as well as the General Manager of FRC. He was previously the Chief Operating Officer for Spirit Telecom. Mr. Humphrey joined Spirit in 1998 as general manager and then took on the role of Executive Vice President of Sales and Marketing. Prior to joining Spirit, Mr. Humphrey worked for TSI, SouthernNet, Telecom USA, and MCI. During his tenure at MCI, he was responsible for revenues of more than \$25 million annually, and was named senior national accounts manager. A native of South Carolina, Mr. Humphrey is a graduate of Clemson University with a bachelor's degree in administrative management. He received his master of business administration from the University of South Carolina, Moore School of Business.

Moreover, FRC, as well as both members of FRC, PalmettoNet and SCANA Communications, Inc., have extensive experience in providing telecommunications services. Listed below are the services provided by the companies and the states in which those services are authorized or are being provided:

**FRC, LLC:**

- (1) South Carolina – Authorized to provide “carrier’s carrier” services. Provides non-switched network, special access, inter-office transport, broadband, and Ethernet-based transport services. Initial certificate issued in 2006.

# **EXHIBIT B**

## **Business Experience Information**

*(cont'd)*

- (2) Georgia - Authorized to provide state-wide intraLATA and interLATA interexchange facilities-based telecommunications services as an IXC. Initial certificate issued in 2006.
- (3) North Carolina - Authorized to provide local exchange and exchange access as a competing local provider. Initial certificate issued in 2005.

### **PalmettoNet, Inc.:**

- (1) South Carolina - Authorized to provide "carrier's carrier" private line, special access, and exchange access services. Provides non-switched network, special access, inter-office transport, broadband, and Ethernet-based transport services. Initial certificate issued in 1985.
- (2) Georgia - Authorized to provide intrastate intraLATA and interLATA services. Provides non-switched network, special access, inter-office transport, broadband, and Ethernet-based transport services. Initial certificate issued in 1998.

### **SCANA Communications, Inc.:**

- (1) South Carolina - Authorized to provide "carrier's carrier," private line, special access, local exchange, exchange access, and interexchange services. Provides non-switched local and wide area networks, special access, inter-office transport, and Ethernet-based transport services. Initial certificate issued in 1996.
- (2) Georgia - Authorized to provide local exchange and interexchange services. Initial certificate issued in 2004.
- (3) North Carolina - Authority to provide local exchange, exchange access, and long distance services. Initial certificate issued in 2004.

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA

DOCKET NO. \_\_\_\_\_

IN RE:

Application of FRC, LLC, for a Certificate of Public	)	
Convenience and Necessity to Provide Local Exchange	)	
and Exchange Access Services throughout the State of	)	APPLICATION
South Carolina and Request for Flexible Regulation	)	
_____	)	

***CONFIDENTIAL &  
PROPRIETARY  
FILED UNDER SEAL***

**EXHIBIT C**

**Financial Statements**

Attached are copies of the audited December 31, 2005, and December 31, 2006, year-end financial statements for FRC, LLC, as audited by Bauknight Pietras & Stormer, Certified Public Accountants, 1517 Gervais Street, Post Office Box 1330, Columbia, South Carolina 29202, (803) 771-8943. Also attached are the unaudited Balance Sheet and Income Statement for year ended December 31, 2007.

# **EXHIBIT D**

## **Illustrative Tariff**

**FRC, LLC**

**SOUTH CAROLINA TELECOMMUNICATIONS TARIFF**

This tariff contains the rates, terms, and conditions applicable for the furnishing of local exchange telecommunications services provided by **FRC, LLC**, with principal offices located at 1500 Hampton Street, Suite 100, Columbia, South Carolina 29201.

This tariff applies for services furnished within the State of South Carolina. This tariff is on file with the South Carolina Public Service Commission, and copies may be inspected during normal business hours at the Company's principal place of business.

Issued: \_\_\_\_\_, 2008

Effective: \_\_\_\_\_, 2008

**FRC, LLC  
1500 Hampton Street, Suite 100  
Columbia, South Carolina 29201**

**CHECK SHEET**

Pages of this tariff, as indicated below, are effective as of the date shown at the bottom of the respective sheets. Original and revised sheets, as named below, comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

<b>SHEET</b>	<b>REVISION</b>
1	Original
2	Original
3	Original
4	Original
5	Original
6	Original
7	Original
8	Original
9	Original
10	Original
11	Original
12	Original
13	Original
14	Original
15	Original
16	Original
17	Original
18	Original

Issued: \_\_\_\_\_, 2008

Effective: \_\_\_\_\_, 2008

**FRC, LLC**  
1500 Hampton Street, Suite 100  
Columbia, South Carolina 29201

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Issued: \_\_\_\_\_, 2008

Effective: \_\_\_\_\_, 2008

**FRC, LLC**  
**1500 Hampton Street, Suite 100**  
**Columbia, South Carolina 29201**



**EXPLANATION OF SYMBOLS**

- (C)** - To signify changed rule, regulation, or condition.
- (D)** - To signify discontinued or deleted rate, regulation, or condition.
- (I)** - To signify an increased rate or charge.
- (M)** - To signify material relocated from or to another part of tariff with no change in text, rate, rule, or condition.
- (N)** - To signify new material, including a listing, rate, rule, or condition.
- (R)** - To signify a reduction in a rate or charge.
- (T)** - To signify a change in wording of text but no change in rate, rule, regulation, or condition.
- (Z)** - To signify a correction.

Issued: \_\_\_\_\_, 2008

Effective: \_\_\_\_\_, 2008

**FRC, LLC  
1500 Hampton Street, Suite 100  
Columbia, South Carolina 29201**

**TARIFF FORMAT**

- A. **Page Numbering** – Page numbers appear in the upper right corner of the page. Pages are numbered sequentially. When a new page is added between pages already in effect, a decimal is added. For example, a new page added between pages 14 and 15 would be 14.1.
- B. **Page Revision Numbers** - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current page version on file with the South Carolina PSC. For example, the 4th revised Page 14 cancels the 3rd revised Page 14. Consult the Check Page for the page currently in effect.
- C. **Paragraph Numbering Sequence** - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:
- 2.
  - 2.1.
  - 2.1.1.
  - 2.1.1.A.
  - 2.1.1.A.1.
  - 2.1.1.A.1.(a).
  - 2.1.1.A.1.(a).I.
  - 2.1.1.A.1.(a).I.(i).
  - 2.1.1.A.1.(a).I.(i).(1).
- D. **Check Sheets** - When a tariff filing is made with the Commission, an updated Check Sheet accompanies the tariff filing. The Check Sheet lists the pages contained in the tariff, with a cross reference to the current revision number. When new pages are added, the Check Sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (\*). The tariff user should refer to the latest Check Sheet to determine if a particular sheet is the most current on file with the Commission.

**SECTION 1 – TECHNICAL TERMS AND ABBREVIATIONS**

**Access Line** - An arrangement that connects the customer's location to a Carrier switching center or point of presence.

**Application for Service** – A standard order form that includes all pertinent billing, technical, and other descriptive information that will enable the Carrier to provide the communications service as required.

**Authorization Code** – A numerical code, one or more of which are assigned to a customer to enable him or her to access the Carrier, and which are used by the Carrier both to prevent unauthorized access to its facilities and to identify the Customer for billing purposes.

**Authorized User** – A person, firm, corporation, or other entity authorized by the Customer to receive or send communications.

**Certificated** – means the holder of a certificate of public convenience and necessity or other certificate issued by the Commission authorizing such holder to provide Telecommunications Service in the State of South Carolina.

**Commission** – The South Carolina Public Service Commission.

**Company or Carrier** – FRC, LLC.

**Customer** – The person, firm, corporation, or other entity that orders, cancels, amends, or uses service and is responsible for payment of charges due and for compliance with the Company's tariff.

**ILEC** - The Incumbent Local Exchange Carrier.

**LEC** - Local Exchange Company.

**Local Calling Area** - The area within which telecommunication service is furnished to customers under a specific schedule or exchange access rates. A local calling area may include one or more exchange service areas or portions of exchange service areas.

**Local Exchange Services** - Telecommunications services furnished for use by end-users in placing and receiving local telephone calls within local calling areas.

**ORS** – Refers to the South Carolina Office of Regulatory Staff.

**Resold Local Exchange Service** - A service composed of the resale of exchange access lines and local calling provided by other authorized LECs, in combination with Carrier-provided usage services, miscellaneous services or interstate/international services.

**Telecommunications Company** – means any Certificated person, firm, partnership, corporation, association, or municipal, county or local governmental entity offering Telecommunications Services to the public for hire.

**Telecommunications Services** – means services for the transmission of two-way interactive communications to the public for hire.

Issued: \_\_\_\_\_, 2008

Effective: \_\_\_\_\_, 2008

**FRC, LLC  
1500 Hampton Street, Suite 100  
Columbia, South Carolina 29201**

**SECTION 2 – RULES AND REGULATIONS****2.1 Undertaking of Carrier**

Carrier's services are offered pursuant to this tariff are furnished for Local Exchange Service among specified points within a Local Calling Area. The Carrier may offer these services over its own or resold facilities.

Carrier installs, operates, and maintains the services provided hereunder in accordance with the terms and conditions set forth under this tariff. It may act as a Customer's agent for ordering access connection facilities provided by other carriers or entities, when authorized by a Customer to allow connection of a Customer's facilities with Carrier's facilities. Carrier's services are provided on a monthly basis, unless ordered or contracted for on a longer-term basis, and are available twenty-four (24) hours per day. The Customer shall be responsible for all charges due for such service arrangement as listed in Section 4.2, as well as any pass-through charges billed by other carriers or entities.

**2.2 Limitations**

- 2.2.1. Service is offered subject to the availability of facilities and equipment and to the provisions of this tariff.
- 2.2.2. Carrier reserves the right to discontinue furnishing service, or limit the use of service, when necessitated by conditions beyond its control, or when the Customer is using service in violation of the law or the provisions of this tariff.
- 2.2.3. All facilities provided under this tariff are directly controlled by Carrier and a Customer may not transfer or assign the use of the service or facilities, except with the express written consent of Carrier. Such transfer or assignment shall only apply where there is no interruption of the use or location of the service or facilities.
- 2.2.4. Prior written permission from Carrier is required before any assignment or transfer. All regulations and conditions contained in this tariff shall apply to all such permitted assignees or transferees, as well as all conditions for service.

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Effective: \_\_\_\_\_, 2008

**FRC, LLC**  
**1500 Hampton Street, Suite 100**  
**Columbia, South Carolina 29201**

**2.3 Limitation of Liabilities of the Company**

**2.3.1.** Carrier's liability for damages arising out of mistakes, interruptions, omissions, delays, errors, or defects in transmission that occur in the course of furnishing services or facilities, which is not caused by the negligence of Carrier's employees or agents, in no event shall exceed an amount equal to the proportionate charges to the Customer for the period during which a fault in transmission occurs.

**2.3.2.** The Carrier shall not be liable for claim or loss, expense or damage (including direct, special, or consequential damages), for any interruption, delay, error, omission, or defect in any service, facility, or transmission provided under this tariff, if caused by any person or entity other than the Carrier, by any malfunction of any service or facility provided by any other carrier, by an act of God, fire, war, civil disturbance, or act of government, or by any other cause beyond the Carrier's direct control.

**2.3.3.** Customers shall indemnify and hold Carrier harmless against:

- A. Claims for libel, slander, or infringement of copyright arising out of the material, data, information, or other content transmitted over the Carrier's facilities.
- B. All other claims arising out of any act or omission of the Customer in connection with any service or facility provided by Carrier.

**2.3.4.** The Commission's acceptance of the liability provisions contained in this tariff does not constitute its determination that the limitation of liability imposed by the Carrier should be upheld in a court of law. Rather, it is more properly construed as a recognition that because it is the duty of the courts to adjudicate negligence claims and rights to recover damages therefor, it is, therefore, the duty of the courts to determine the validity of the exculpatory provisions of this tariff.

**2.4. Deposits.** Deposits may be required from Customers whose credit history is unacceptable or unavailable. Deposits are collected in accordance with the rules of the Commission.

**2.5. Advance Payments**

**2.5.1** Recurring Charges. For Customers from whom the Carrier feels an advance payment is necessary, the Carrier reserves the right to collect an amount not to exceed one (1) month's estimated charges as an advance payment for service.

Issued: \_\_\_\_\_, 2008

Effective: \_\_\_\_\_, 2008

**FRC, LLC**  
**1500 Hampton Street, Suite 100**  
**Columbia, South Carolina 29201**

This will be applied against the next month's charges and a new advance payment may be collected for the next month.

- 2.5.2. Nonrecurring Charges. The Carrier reserves the right to require pre-payment of nonrecurring charges in such amount as may be deemed necessary by the Carrier. In addition, where special construction is involved, advance payment of the quoted construction charges may be required at the time of application for service.

2.6. Interruption of Service

- 2.6.1. Credit allowance for the interruption of service that is not due to Carrier's testing or adjusting, negligence of a Customer or the failure of channels or equipment provided by a Customer are subject to the general liability provisions set forth in 2.3.1. herein. It shall be the obligation of the particular Customer to notify the Carrier immediately of any interruption in service for which a credit allowance is desired. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any action or omission by the Customer and connected to Carrier's facilities.
- 2.6.2. For purposes of credit computation for leased facilities, every month shall be considered to have seven hundred twenty (720) hours.
- 2.6.3. No credit shall be allowed for an interruption of a continuous duration of less than two (2) hours.
- 2.6.4. A Customer shall be credited for an interruption of two (2) hours or more at the rate of  $1/720^{\text{th}}$  of the monthly charge for the facilities affected for each hour or major fraction thereof that the interruption continues.

$$\text{Credit Formula:} \quad \text{Credit} \quad \frac{A}{720} \times B$$

A – Outage time in hours.

B – Total monthly charge for affected facility.

- 2.7. Restoration of Service. The use and restoration of service shall be in accordance with the priority system specified in Part 64, Subpart D of the Rules and Regulations of the Federal Communications Commission.
- 2.8. Contested Charges. All bills are presumed accurate, and shall be binding on the Customer unless objection is received by Carrier, in writing or orally, within the applicable statute of limitations. No credits, refunds, or adjustments shall be granted if demand therefor is not received within such limitation period. Carrier will promptly

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investigate and advise the Customer as to its findings and disposition. Any undisputed charges billed by Carrier to Customer must be paid on a timely basis.

**2.9. Equipment.**

- 2.9.1.** The Company's facilities and service may be used with or terminated in Customer provided terminal equipment or Customer-provided communications systems, such as a PBX or key systems. Such terminal equipment shall be furnished and maintained at the expense of the Customer, except as otherwise provided. The Customer is responsible for all costs at his or her premises, including personnel, wiring, electrical power, and the like, incurred in the use of the Company's service. The Customer is responsible for ensuring that Customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities.
- 2.9.2.** The Company shall use reasonable efforts to maintain facilities and equipment that it furnishes to the Customer. The Customer may not, nor may the Customer permit others to, disconnect, rearrange, remove, attempt to repair, or otherwise interfere with any of the facilities or equipment installed by the Company, except upon the written consent of the Company.
- 2.9.3.** Equipment the Company provides or installs at the Customer's premises for use in connection with services the Company offers shall not be used for any purpose other than that for which the Company provided it.
- 2.9.4.** The Customer shall be responsible for payment of service charges, as set forth herein, for visits by the Company's agents or employees to the premises of the Customer when the service difficulty or trouble report results from the use of equipment or facilities provided by any party other than the Company, including but not limited to the Customer.
- 2.9.5.** The Company shall **not** be responsible for the installation, operation, or maintenance of any Customer-provided equipment. Where such equipment is connected to the facilities furnished pursuant to this tariff, the responsibility of the Company shall be limited to the furnishing of facilities offered under this tariff and to the maintenance and operation of such facilities. Subject to this responsibility, the Company shall **not** be responsible for the transmission of signals by Customer-provided equipment or for the quality of, or defects in, such transmission or the reception of signals by Customer-provided equipment.
- 2.9.6.** Upon reasonable notification to the Customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the Customer is complying with the requirements set forth in the section for the installation, operation, and maintenance of Customer-provided facilities,

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equipment, and wiring in the connection of such facilities and equipment to Company-provided facilities and equipment.

- 2.9.7. Title to all facilities provided by the Company under this tariff shall remain in the Company's name or in the name of the carrier supplying the services and facilities being resold.

**2.10 Payment for Service.**

- 2.10.1. The Customer is responsible for payment of all charges for services and equipment furnished to the Customer or to an authorized user of the Customer by the Company. All charges due by the Customer are payable to the Company or to any agency duly authorized to receive such payments. Terms of payment shall be according to the rules and regulations of the agency and subject to the rules of the Commission.

- 2.10.2. The Company's billing invoices will be considered correct and binding upon the Customer if no written notice is received from the Customer within thirty (30) days of the date of the invoice. Adjustments to Customer's bills shall be made to the extent circumstances exist which reasonably indicate that such changes are appropriate.

- 2.10.3. Upon receipt of a billing inquiry, charges involved in the disputed element(s) of the invoice will be temporarily suspended pending resolution of the dispute. The Customer, however, remains responsible for the timely payment of the non-disputed elements of the invoice

- 2.11. **Cancellation by the Customer.** Pending proper identification, the Customer may cancel service by providing notice to the Company.

**2.12. Refusal or Discontinuance by the Company.**

- 2.12.1. The Company may refuse, suspend, or discontinue service under the following conditions without incurring any liability provided that, unless otherwise stated, the Customer shall be given seven (7) days written notice to comply with any rule or to remedy any deficiency.
- 2.12.2. For non-compliance with or violation of any State, municipal, or Federal law, ordinance, or regulation pertaining to telecommunications service.
- 2.12.3. For use of telecommunications service for any property or purpose other than that described in the application.

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- 2.12.4. For neglect or refusal to provide reasonable access to the Company or its agents for the purpose of inspection and maintenance of equipment owned by the Company or its agents.
- 2.12.5. For noncompliance with or violation of a Commission regulation or the Company's rules and regulations on file with the Commission.
- 2.12.6. For nonpayment of bills, including bills for any of the Company's other communication services, provided that suspension or termination of service shall not be made without five (5) days written notice to the Customer. However, residential basic local service shall not be disconnected for nonpayment for at least 30 days from the date of the bill, and the Company has given the Customer a written notice of the proposed disconnection at least five (5) days before the date of disconnection.
- 2.12.7. Without notice in the event of Customer or authorized user use of equipment in such a manner as to adversely affect the Company's equipment or service to others.
- 2.12.8. Without notice in the event of tampering with the equipment or services owned by the Company or its agents.
- 2.12.9. Without notice in the event of unauthorized or fraudulent use of service. Whenever service is discontinued for fraudulent use of service, the Company may, before restoring service, require the Customer to make, at his or her own expense, all changes in facilities or equipment necessary to eliminate illegal use and to pay an amount reasonably estimated as the loss in revenues resulting from such fraudulent use.
- 2.12.10. Without notice by reason of any order or decision of a court or other government authority having jurisdiction which prohibits the Company from furnishing such services.
- 2.13. **Interconnection.** Service furnished by the Company may be connected with the services or facilities of other carriers or enhanced service providers. The Customer is responsible for all charges billed by these entities for use in connection with the Company's service. Any special interface equipment or facilities necessary to achieve compatibility between these entities is the responsibility of the Customer. Neither the Company nor any connecting carrier participating in a service shall be liable for any act or omission of any other company or companies furnishing a portion of such service.
- 2.14. **Inspection, Testing, and Adjustment.** Upon reasonable notice, the facilities provided by the Company shall be made available to the Company for tests and adjustments as

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may be deemed necessary by the Company for maintenance. No interruption allowance will be granted for the time during which such tests and adjustments are made.

- 2.15. Below is the address, telephone number, and facsimile number to which consumer inquiries or complaints regarding contested charges should be directed:

FRC, LLC  
1500 Hampton Street, Suite 100  
Columbia, South Carolina 29201  
Phone: (803) 726-8300  
Fax: (803) 726-4092

- 2.16. Any disputed charges that cannot be resolved between a Customer and Carrier may be submitted to the Consumer Services Department of the ORS at the following:

Office of Regulatory Staff  
Consumer Services Department  
Post Office Box 11263  
Columbia, South Carolina 29201  
Phone: (803) 737-5230  
Toll-Free: 1-800-922-1531  
Fax: (803) 737-4750

- 2.17. **Billing Entity Conditions.** When billing functions on behalf of Carrier or its intermediary are performed by local exchange telephone companies, credit card companies, or others, the payment of charge conditions and regulations of such companies and any regulations imposed upon these companies by regulatory bodies having jurisdiction apply.

- 2.18. **Taxes.** All federal, state, and local taxes (e.g., excise tax, sales tax, municipal utilities tax) are billed as separate line items and are not included in the quoted rates.

- 2.19. **Reconnection Charge.**

A reconnection fee per occurrence may be charged when service is re-established for Customers who have been disconnected for non-payment, and is payable at the time that the restoration of suspended service and facilities is arranged. If a Customer premises visit is required, an additional fee may be charged. Reconnection charges are listed in Section 4.2.

- 2.20. **Late Payment Charges.**

A late payment charge of 1.5% of unpaid balance after 30 days may be charged per month.

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**2.21. Special Construction.**

Subject to the agreement of the Company and to all of the regulations contained in this tariff, special construction of facilities may be undertaken on a reasonable efforts basis at the request of the Customer. Special construction is construction undertaken:

1. where facilities are not presently available, and there is no other requirement for the facilities so constructed;
2. of a type other than that which the Company would normally utilize in the furnishing of its services;
3. over a route other than that which the Company would normally utilize in the furnishing of its services;
4. in a quantity greater than that which the Company would normally construct;
5. on an expedited basis;
6. on a temporary basis until permanent facilities are available;
7. involving abnormal costs; or
8. in advance of its normal construction.

The Customer will be charged for the special construction based upon engineering, labor, and cost of materials. An estimate will be provided to the Customer before any construction is undertaken.

**2.22. Promotions.** If the Company plans to offer any promotions, such promotions must be filed with the Commission prior to implementation.

**2.23. Cost of Collection and Repair.** The Customer is responsible for any and all costs incurred in the collection of moneys due the Company including legal and accounting expenses. The Customer is also responsible for recovery costs of Company provided equipment and any expenses required for repair or replacement of damaged equipment.

**2.24. Returned Check Charges.** A fee in the amount allowed by statute will be charged whenever a check or draft presented for service is not accepted by the institution on which it is written.

**2.25. Service Implementation.** Absent a promotional offering, service implementation charges as listed in Section 4.2 will apply per service order to a new service order or to orders to change existing service as specified in Section 4.2.

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**SECTION 3 – DESCRIPTION OF SERVICE**

- 3.1. **Local Service Areas.** The Carrier will provide Local Exchange Service within the State of South Carolina. The Carrier concurs in the local calling areas defined in the local exchange tariff of the ILEC for the geographic area being served.

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**SECTION 4 – RATES AND CHARGES****4.1. Calculation of Rates.**

The monthly rates are for a period of one month, payable monthly in advance, and entitle the customer to exchange telephone service within the local calling area as specified in Section 4.2 of this Tariff.

Rates for local exchange service include the provision of initial diagnostics required to determine whether a service problem is caused by facilities for which the Carrier is responsible or facilities for which the Customer is responsible. Local exchange service, however, does not include the provision of actual repairs to facilities for which the Customer is responsible, nor does it provide specific diagnostics regarding the facilities for which the Customer is responsible.

The local exchange rates listed in Section 4.2 of this Tariff are the monthly rates, unless expressly stated otherwise. Discounts for volumes and longer periods of contract are available upon request.

**4.2 Local Exchange Rates.****4.2.1. Business Services**Monthly Rates**ACCESS LINES**

Standard Business Line  
Enhanced Business Line  
PBX Trunk  
DID Trunk  
DID #s – Per 100 Block  
ISDN

BRI  
PRI – Access  
PRI – Per Channel  
PRI – Back-up Channel

Centrex 1000  
Centrex 2000  
Centrex 3000  
Centrex 4000  
Centrex ACD Capability – per Agent Fee  
Centrex ACD Management Feature – per Agent Fee

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Digital Channel Service – Access  
Digital Channel Service – Per Channel  
Digital Channel Service – Per Channel with DID  
Digital Channel Service – DID Number Blocks100

**CALLING FEATURES**

Voice Mail: Basic  
Voice Mail: Deluxe  
Caller ID – Number  
Caller ID – Name  
Call Waiting  
Call Return

Per Use Rates

**LOCAL OPERATOR SERVICES**

Directory Assistance  
(per call, maximum of two numbers per call)  
Operator Verify (each call)  
Operator Interrupt (each call)

**RECONNECTION CHARGE**

Per occurrence, without premises visit  
Per occurrence, with premises visit

**4.2.2. Residential Services**

Monthly Rates

**ACCESS LINES**

Standard Business Line  
Enhanced Business Line  
PBX Trunk  
DID Trunk  
DID #s – Per 100 Block  
ISDN  
BRI  
PRI – Access  
PRI – Per Channel  
PRI – Back-up Channel  
Centrex 1000

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Centrex 2000  
Centrex 3000  
Centrex 4000  
Centrex ACD Capability – per Agent Fee  
Centrex ACD Management Feature – per Agent Fee  
Digital Channel Service – Access  
Digital Channel Service – Per Channel  
Digital Channel Service – Per Channel with DID  
Digital Channel Service – DID Number Blocks100

#### CALLING FEATURES

Voice Mail: Basic  
Voice Mail: Deluxe  
Caller ID – Number  
Caller ID – Name  
Call Waiting  
Call Return

#### Per Use Rates

#### LOCAL OPERATOR SERVICES

Directory Assistance  
(per call, maximum of two numbers per call)  
Operator Verify (each call)  
Operator Interrupt (each call)

#### RECONNECTION CHARGE

Per occurrence, without premises visit  
Per occurrence, with premises visit

\*\*\*Actual rates cannot be determined until interconnection and/or resale agreements are entered into with applicable ILECs. Rates for the listed services herein will be competitive with rates for similar services offered by the ILEC.

#### 4.3. Individual Case Basis Arrangements.

Arrangements may be developed on a case-by-case basis in response to a bona fide special request from a Customer or prospective Customer to develop a competitive bid for a service not generally available under this Tariff. The Carrier's rates will be offered to the Customer in writing and on a non-discriminatory basis. The applicable regulations, rates,

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charges, and other terms and conditions will be provided pursuant to the terms prescribed in the Tariff. All such arrangements will be kept on file in the Carrier's offices and will be provided to the Commission and/or the ORS upon request.

**4.4. Special Promotions.**

Company may, from time to time, waive or vary the rates and charges associated with certain services for promotional, market research, or other similar business purposes. In no case shall the varying rates and charges exceed the rates and charges listed in the tariff for the same services. The Company will file all promotions in transmittal letter format with the Commission and the ORS. Promotions will not be published in the Company's tariff.

**4.5 Marketing Practices and Marketing Guidelines.**

As a telephone utility under the regulation of the Public Service Commission of South Carolina, the Company does hereby assert and affirm that, as a provider of intrastate telecommunications service, the Company will not indulge or participate in deceptive or misleading telecommunications marketing practices to the detriment of consumers in South Carolina, and the Company will comply with those marketing procedures, if any, set forth by the Public Service Commission. Additionally, the Company will be responsible for the marketing practices of its contracted telemarketers for compliance with this provision. The Company understands that violation of this provision could result in a Rule to Show Cause as to the withdrawal of its certification.

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# **EXHIBIT E**

## **Proposed Notice of Filing and Hearing**

## NOTICE OF FILING AND HEARING

FRC, LLC, ("FRC" or "Applicant") has filed an Application with the Public Service Commission of South Carolina for a Certificate of Public Convenience and Necessity for authority to provide local exchange and exchange access service throughout the State of South Carolina and request for flexible regulation.

A copy of the Application is on file in the office of the Public Service Commission of South Carolina, 101 Executive Center Drive, Saluda Building, Columbia, South Carolina 29210, and is available through M. John Bowen, Jr., Esquire, or Sue-Ann Gerald Shannon, Esquire, McNAIR LAW FIRM, P.A., 1301 Gervais Street, 11th Floor, Columbia, South Carolina 29201.

**PLEASE TAKE NOTICE:** A hearing on the above matter has been scheduled to begin at \_\_\_\_\_ on \_\_\_\_\_, 2008, before the Hearing Examiner in the Commission's Meeting Room at 101 Executive Center Drive, Saluda Building, Columbia, South Carolina 29210.

Any person who wishes to participate in this matter as a party of record with the right of cross-examination should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure on or before \_\_\_\_\_, 2008 and indicate the amount of time required for presentation. *Please refer to Docket No. 2008-\_\_\_\_\_ - C.*

Any person who wishes to be notified of the hearing, but does not wish to present testimony or be a party of record, may do so by notifying the Docketing Department in writing at the address below on or before \_\_\_\_\_, 2008. *Please refer to Docket No. 2008-\_\_\_\_\_ - C.*

**PLEASE TAKE NOTICE:** Any person who wishes to have his or her comments considered as a part of the official record of this proceeding **MUST** present such comments, in person, to the Hearing Officer during the hearing.

Persons seeking information about the Commission's Procedures should contact the Commission by dialing (803) 896-5100.

Public Service Commission of South Carolina  
Docketing Department  
Post Office Drawer 11649  
Columbia, South Carolina 29211

\_\_\_\_\_, 2008

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION**  
**OF SOUTH CAROLINA**

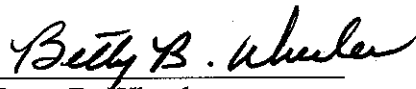
**DOCKET NO.** \_\_\_\_\_

**IN RE:**

<b>Application of FRC, LLC, for a Certificate of</b>	)	
<b>Public Convenience and Necessity to Provide</b>	)	<b>CERTIFICATE</b>
<b>Local Exchange and Exchange Access Services</b>	)	<b>OF</b>
<b>throughout the State of South Carolina and</b>	)	<b>SERVICE</b>
<b>Request for Flexible Regulation</b>	)	

This is to certify that I, Betty B. Wheeler, have this date served one (1) copy of the above referenced **Application of FRC, LLC** to the person named below by causing said copies to be **hand-delivered** and addressed as shown:

C. Dukes Scott  
Executive Director  
Office of Regulatory Staff  
1441 Main Street  
Suite 300  
Columbia, SC 29201

  
Betty B. Wheeler

February 12, 2008

Columbia, South Carolina